

Message Text

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ACTION EUR-12

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SECDEF WASHDC
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USNMR SHAPE
HQ DA WASHDC
HQ DARCOM ALEXANDRIA VA
PM PATRIOT MIL SYS USADARCOM REDSTONE ARSENAL AL

C O N F I D E N T I A L SECTION 1 OF 2 USNATO 1132

EO11652 GDS
TAGS MPOL NATO MILI
SUBJECT PATRIOT FOR NIKE: THE NEED TO EXPAND THE NATO DIALOGUE

SUMMARY: ALTHOUGH NECESSARY AND USEFUL STEPS ARE NOW BEING
TAKEN OR ABOUT TO BE TAKEN WITHIN NATO TO DETERMINE HOW TO RE-
PLACE AGING NIKE AND OTHER AIR DEFENSE SYSTEMS, WE BELIEVE
THAT WE MUST SOON INITIATE DISCUSSIONS AT HIGH POLICY LEVELS
WITHIN THE ALLIANCE IF WE ARE TO AVOID FUTURE MISUNDERSTANDING
AND RESENTMENT SUCH AS THOSE THAT HAVE PLAGUED NATO AEW. THE US
PATRIOT SYSTEM, THE ONLY SYSTEM UNDER DEVELOPMENT TO REPLACE NIKE,
IS SUFFICIENTLY EXPENSIVE AND TECHNOLOGICALLY ADVANCE TO MAKE
IT ADVISABLE THAT ALLIED LEADERS BEGIN TO FOCUS NOW ON THE
BEST WAY TO PRODUCE IT, AND ON THE POLITICAL IMPLICATIONS
OF ITS ADOPTION. WE SUGGEST INITIAL STEPS TO MOVE EXAMINATION
TO THIS POLICY LEVEL.
END SUMMARY.

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1. SEVERAL STEPS HAVE BEEN OR ARE BEING TAKEN SO THAT THE ALLIES
WILL BE LIKELY TO EXAMINE THE PATRIOT SURFACE-TO-AIR (SAM)
SYSTEM THOROUGHLY AND IN TIMELY FASHION AS A CANDIDATE
REPLACEMENT FOR EXISTING SAM SYSTEMS:

--WE WXPECT THE NATO TRI-SERVICE GROUP ON AIR DEFENSE
(TSGAD) TO VALIDATE THE REQUIREMENT TO REPLACE 100 NIKE
AND 10 BLOOD HOUND/THUNDERBIRD FIRE UNITS BY 1985.
PATRIOT, OR A PATRIOT DERIVATIVE, OFFERS THE ONLY SYSTEM

IN ACTUAL DEVELOPMENT WHICH IS A CANDIDATE FOR THIS REPLACEMENT.

--WE ALSO ANTICIPATE THAT NATO MILITARY AUTHORITIES WILL ASSIGN PRIORITY 1 TO NIKE REPLACEMENT IN FORTH-COMING FORCE PROPOSALS, THEREBY INCREASING THE LIKELIHOOD THAT NATIONS WILL PROGRAM FUNDS FOR THIS PURPOSE.

--THE TSGAD WILL ALSO CALL FOR SEPARATE STUDY GROUPS TO EXAMINE: A) PATRIOT, OR A PATRIOT DERIVATIVE, AS A REPLACEMENT FOR BOTH NIKE AND IMPROVED HAWK; AND B) A REPLACEMENT ONLY FOR IMPROVED HAWK, BASED ON ANGLO-FRENCH PROPOSALS TO DEVELOP A NEW SYSTEM. THESE STUDY GROUPS WILL, WE BELIEVE, PROVIDE A USEFUL OPPORTUNITY FOR ALL ALLIES TO FAMILIARIZE THEMSELVES WITH COMPETING TECHNICAL AND TACTICAL CONCEPTS AND ASSOCIATED COSTS. THIS IS CRUCIALLY IMPORTANT, WE BELIEVE, SINCE THE CREATION OF EFFECTIVE AIR DEFENSE REQUIRES THE PARTICIPATION OF MANY ALLIES WHO MUST AGREE ON COMMON SYSTEMS. ADDITIONALLY, THE STUDY GROUPS WILL DEVELOP DRAFT MEMORANDA OF UNDERSTANDING ON COLLABORATIVE PROGRAMS, DISCUSSED MORE FULLY BELOW.

--ASYG(DEFENCE SUPPORT) LABERGE HAS ASKED SHAPE TO PROVIDE NATO A "NEED DOCUMENT" ON THE NIKE REPLACEMENT-- A STATEMENT OF THE FUNCTIONS THAT THE REPLACEMENT SYSTEM CONFIDENTIAL

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SHOULD BE ABLE TO PERFORM--AND SHAPE HAS AGREED TO DO SO. THIS SHOULD PERMIT US TO AVOID COMPLAINTS ALONG THE LINE USED AGAINST AWACS THAT IT IS A SYSTEM IN SEARCH OF A MISSION RATHER THAN A RESPONSE TO A STATED NEED.

2. BUT WHILE THESE RECENT AND ANTICIPATED STEPS ARE BOTH NECESSARY AND USEFUL, WE DO NOT BELIEVE THEY ARE ADEQUATE. THE COST, COMPLEXITY, POLICY IMPLICATIONS AND PROVISIONING OF EVEN THE NIKE REPLACEMENT, LET ALONE THE REPLACEMENT OF IMPROVED HAWK, ARE OF SUCH MAGNITUDE THAT THEY CANNOT BE DECIDED UPON IN TECHNICAL BODIES SUCH AS THOSE NOW AT WORK OR SOON TO BE AT WORK. WE MUST, WE BELIEVE, INVOLVE HIGH POLICY OFFICIALS SOON IN THE PARTICULARS OF PATRIOT OR RISK ADVERSE REACTIONS WHEN, AT THEIR OWN PACE, THESE HIGH OFFICIALS BECOME AWARE OF THE MAJOR ECONOMIC AND POLICY DIMENSIONS OF THIS PROGRAM.

3. COST. THE US VERSION OF PATRIOT IS EXPECTED TO COST \$20.4 MILLER PER FIRE UNIT, NOT INCLUDING ANY R&D RECOUPMENT. COLLABORATIVE PRODUCTION WILL INCREASE THE COST OF EUROPEAN EQUIPMENT. THUS THE REPLACEMENT OF NIKE WILL COST ALL ALLIES SOMETHING ON THE ORDER OF

\$2.5 BILLION--AND PERHAPS MORE. SECURITY AGREEMENT ON COSTS OF THIS MAGNITUDE CANNOT BE ACHIEVED BY A BUSINESS-AS-USUAL APPROACH, PARTICULARLY SINCE ALL MUST AGREE IF THE SYSTEM IS TO BE DEPLOYED EFFECTIVELY.

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HQ DARCOM ALEX VA
PM PATRIOT MIL SYS USADARCOM REDSTONE ARSENAL AL

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4. POLITICAL IMPLICATIONS. ALTHOUGH THE TSGAD DRAFT REPORT TO THE CONFERENCE OF NATIONAL ARMAMENT DIRECTORS (CNAD) ON FUTURE MEDIUM SAM STATES THAT IT IS QUOTE DESIRABLE THAT THE HIGH PROBABILITY OF KILL REQUIRED OF FUTURE SAM BE ATTAINED BY THE USE OF CONVENTIONAL WARHEADS END QUOTE, THE REPLACEMENT OF NUCLEAR-CAPABLE NIKE BY CONVENTIONAL PATRIOT IS, TO OUR EUROPEAN ALLIES, A POLITICAL ISSUE OF THE HIGHEST ORDER. AS WASHINGTON IS WELL AWARE, THESE ALLIES--AND THE FRG, IN PARTICULAR--HAVE PERSISTENTLY OPPOSED US PROPOSALS TO REDUCE THE NUMBER OF NUCLEAR-ARMED NIKE BATTERIES DEPLOYED IN EUROPE. IF WE ARE TO AVOID THE SUSPICION THAT THE US IS ATTEMPTING TO ACHIEVE AN OBJECTIVE UNDER THE GUISE OF REPLACEMENT THAT IT HAS BEEN UNABLE TO PERSUADE ALLIES TO SUPPORT ON ITS MERITS, WE BELIEVE WE MUST ADDRESS THE ISSUE AT APPROPRIATE POLICY LEVELS, NOT ONLY IN TECHNICAL WORKING BODIES.

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5. PRODUCTION. WE ANTICIPATE THAT EUROPEAN ALLIES WILL WISH TO PRODUCE THEIR OWN PATRIOT OR PATRIOT DERIVATIVE, FOLLOWING THE PATTERN USED IN LICENSING ROLAND FOR FULL PRODUCTION IN THE US RATHER THAN THE METHOD USED, FOR

EXAMPLE, IN GENERATING CO-PRODUCTION FOR THE F-16. FROM OUR PERSPECTIVE, THE US WOULD BE ILL-ADVISED TO APPROACH PATRIOT FOR EUROPEAN ALLIES ALONG THE LINES OF THE F-16 SALE. QUITE APART FROM THE PROBABLE UNACCEPTABILITY TO ALLIES OF THIS APPROACH, WE BELIEVE THAT THE FIXED PRICE REQUIRED IN A FOREIGN MILITARY SALE MAY BE FUNDAMENTALLY INCOMPATIBLE WITH THE REALITIES OF PRICE AND QUALITY INHERENT IN CO-PRODUCTION AT HIGH PERCENTAGE LEVELS BY CONTRACTORS OF MANY NATIONS. ATTEMPTING TO MAINTAIN QUALITY WITHIN FIXED COST CEILINGS UNDER THESE CONDITIONS COULD PRODUCE THE ARMS MESS OF THE CENTRY. WE BELIEVE IT WOULD BE MUCH MORE SENSIBLE TO HELP THE ALLIES TO PRODUCE THEIR OWN SYSTEM. CRITICS MAY OBSERVE THAT FULL PRODUCTION BY ALLIESMIGHT LEAD TO COST GROWTH ALONG THE LINES EXPERIENCED BY THE MRCA. WE AGREE. BUT WE BELIEVE THAT EUROPEAN ALLIES SHOULD, IN THIS CASE, MANAGE THEIR OWN PROBLEMS, AS THEY WILL WISH TO DO--AND AS THEY ARE DOING TODAY WITH THE MRCA. THE ALTERNATIVE, A US EFFORT TO MANAGE FOR THE ALLIES, WOULD PROBABLY REAP ONLY RESENTMENT AND INSURMOUNTABLE COST/QUALITY PROBLEMS AS ITS REWARD.

6. WE SUGGEST THE FOLLOWING NEXT STEPS IN ORDER TO BEGIN THE POLICY LEVEL INVOLVEMENT WHICH IS NECESSARY TO THE SUCCESS OF PATRIOT ADOPTION:

--WASHINGTON SHOULD DECIDE IF WE ARE WILLING TO HELP ALLIES TO PRODUCE PATRIOT. IF WE ARE, WE SHOULD APPRISE ALLIES AT APPROPRIATE LEVELS EARLY IN OUR DISCUSSIONS ON PATRIOT AND ENCOURAGE AND ASSIST THEM TO PLAN FOR PRODUCTION. IF WE ARE NOT, WE SHOULD MARSHAL OUR CO-PRODUCTION PROPOSALS AS FULLY AS POSSIBLE IN CONFIDENTIAL

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ORDER TO BE IN THE BEST POSITION TO PERSUADE ALLIES OF THE REASONABLENESS OF THESE PROPOSALS.

--WE SHOULD CONDUCT AN INITIAL, EXPLORATORY SESSION WITH PERMREPS SOME TIME PRIOR TO THE MAY DPC MINISTERIAL MEETING IN ORDER TO LAY THE FOUNDATION FOR FURTHER DISCUSSION BY MINISTERS. ONE WAY TO ACCOMPLISH THIS, WE BELIEVE, WOULD BE FOR DR. LABERGE, ASYG(DEFENCE SUPPORT), TO BRIEF PERMREPS ON ON-GOING WORK AND ISSUES. WE HAVE APPROACHED HIM INFORMALLY AND DETERMINED THAT HE IS WILLING IF WE WISH HIM TO DO SO.

--FOLLOWING WASHINGTON DECISION ON MAJOR ASPECTS OF THE US-PREFERRED APPROACH TO EUROPEAN PATRIOT--PARTIUCULARLY ON THE QUESTION OF HOW IT SHOULD BE PRODUCED--WE SHOULD FAMILIARIZE ALL INTERESTED EMBASSIES AND MISSIONS WITH THE DETAILS OF THESE DECISIONS AND WITH SUPPORTING RATIONALE.

STRAUSZ-HUPE

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<< END OF DOCUMENT >>

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